



Growing McMinnville
MINDFULLY

**McMinnville Growth Management and
Urbanization Plan, 2003 – 2023**

City of McMinnville
Remand Order 12-WKTASK-001814
**POPULATION AND EMPLOYEMENT
FORECAST**
December, 2020
Appendix A

POPULATION AND EMPLOYMENT JUSTIFICATION

MGMUP 2020 Remand:

The MGMUP 2020 Remand does not recommend any changes to Appendix A of the MGMUP, and the remand continues to utilize the same data contained herein.

Background

The City of McMinnville is in the process of reviewing its Urban Growth Boundary (UGB). This review builds on several studies the City has completed or are in process at this time. In April 2001, the McMinnville's City Council and Planning Commission approved the *McMinnville Residential Land Needs Analysis* (May 2001) which addressed the requirements of statewide planning Goal 10 and ORS 197.296. In February 2002, the City approved the *McMinnville Economic Opportunities Analysis* (November 2001) which addressed the requirements of statewide planning Goal 9 and OAR 660-009.

One of the key variables that drives the UGB review process is the City's coordinated population projection. The *McMinnville Residential Land Needs Analysis* used a coordinated population projection for the period from 2000 through 2020 that was based on a forecast methodology accepted by Yamhill County and DLCD. The City's coordinated population projection was developed in the late 1990s and used a base year of 1997.

State law (ORS 197.297 and OAR 660-009) requires McMinnville to provide a 20-year supply of buildable residential, commercial, and industrial lands. The *McMinnville Residential Land Needs Analysis* identified a deficit of residential land and the *McMinnville Economic Opportunities Analysis* identified a deficit of commercial land. Those studies, and subsequent work by City staff and ECONorthwest, concluded that McMinnville would need a UGB expansion of more than 50 acres to meet the 20-year supply requirement. That conclusion was based on 2000-2020 population and employment projections.

In the time since these City studies were completed the US Census Bureau released its 2000 Census count for McMinnville. Portland State University has also released population estimate figures for the city for the years 2001 and 2002. With this new information available, the City proposes to shift the planning period for its housing and employment land needs analysis by three years: from 2000 – 2020, to 2003 - 2023. The purpose of this Appendix is to provide background information and updated population and employment projections for the revised 20-year planning period. Consistent with this amendment, the City has updated its buildable lands inventory as of January 1, 2003. It is important that the date of the land inventory match the start date of the projection period because the projections drive land demand estimates.

METHODS

Many methods exist to develop population and employment projections. The *McMinnville Residential Land Needs Analysis* and the *McMinnville Economic Opportunities Analysis* both used accepted methods of projecting population and employment for small areas. The intent of this Appendix is *not* to develop a new set of projections based on new assumptions and new

methods. Rather, the intent is to extrapolate the projections to 2023 using the same average annual growth rates applied in the original projections that were approved by the McMinnville City Council, and that were found acceptable by Yamhill County and DLCD (Attachments 1 and 2).

Cities are legally required to adopt “coordinated” population projections under ORS 195.036. The Yamhill County Planning Department is the official coordinating body for population projections for Yamhill County cities. The McMinnville population projections for the period between 2003 and 2023 presented in this memorandum have been reviewed and accepted by Yamhill County. Attached to this memo is the official coordination letter from the County (Attachment 3).

The state has no legal requirement for employment projections. Employment, however, is the key factor driving demand for commercial and industrial lands.

FINDINGS

POPULATION

The population of the Willamette Valley grew considerably between 1980 and 2002. Table 1 shows population increases in selected Willamette Valley communities. The following observations can be made from the data:

- McMinnville more than doubled its population between 1980 and 2002. This equates to a 3.21% average annual growth rate during that period—a rate 2.5 times faster than the state as a whole.
- McMinnville grew at an even more rapid pace during the 1990s—an average of 3.86% annually.
- Between 1980 and 2002, McMinnville grew faster than most of the comparable jurisdictions—with the exception of Gresham, Tualatin, and West Linn which are all cities on the fringe of the Portland Metropolitan region.
- The ratio of population in McMinnville to Yamhill County increased steadily between 1980 and 2002. In 1980, McMinnville accounted for 25.45% of the County’s population; by 2002 this percentage increased to 32.23%.

Table 1. McMinnville population change compared with other jurisdictions, 1980, 1990, 2000, and 2002

Area	1980	1990	% change (1980-90)	2000	2002	% change (1980- 2002)	AAGR (1980- 2002)	% change (1990- 2002)	AAGR (1990- 2002)
Oregon	2,633,156	2,842,321	7.9%	3,421,399	3,504,700	33.1%	1.31%	23.3%	1.76%
Yamhill County	55,332	66,551	20.3%	84,992	87,500	58.1%	2.10%	31.5%	2.31%
Albany	26,511	29,540	11.4%	40,852	42,280	59.5%	2.14%	43.1%	3.03%
Dallas	8,530	9,422	10.5%	12,459	12,850	50.6%	1.88%	36.4%	2.62%
Forest Grove	11,499	13,559	17.9%	17,708	18,520	61.1%	2.19%	36.6%	2.63%
Gresham	33,005	68,249	106.8%	90,205	92,620	180.6%	4.80%	35.7%	2.58%
Lebanon	10,413	10,950	5.2%	12,950	13,110	25.9%	1.05%	19.7%	1.51%
McMinnville	14,080	17,894	27.1%	26,499	28,200	100.3%	3.21%	57.6%	3.86%
Milwaukie	17,931	18,670	4.1%	20,490	20,550	14.6%	0.62%	10.1%	0.80%
Newberg	10,394	13,086	25.9%	18,064	18,750	80.4%	2.72%	43.3%	3.04%
Oregon City	14,673	14,698	0.2%	25,754	27,270	85.9%	2.86%	85.5%	5.29%
Salem	89,233	107,793	20.8%	136,924	141,150	58.2%	2.11%	30.9%	2.27%
Tualatin	7,483	14,664	96.0%	22,791	24,100	222.1%	5.46%	64.3%	4.23%
West Linn	11,358	16,389	44.3%	22,261	23,430	106.3%	3.35%	43.0%	3.02%
Woodburn	11,196	13,404	19.7%	20,100	20,860	86.3%	2.87%	55.6%	3.75%
McMinnville as a % of Yamhill County	25.45%	26.89%		31.18%	32.23%				

Source: Center for Population Research and Census, Portland State University, August 2000

McMinnville's 2000 Census population count was 26,499—a figure 2,079 persons higher than the 1999 population estimate of 24,420 provided by the Center for Population Research and Census at Portland State University. Despite McMinnville's rapid growth rate of 3.21% annually over the last 22 years, McMinnville has accepted, for planning purposes, a much lower population projection for the next 20 years. The assumed population growth rate for McMinnville is 2.2%—a rate considerably lower than the 3.21% average annual rate observed between 1980 and 2002, and the 3.86% average annual rate observed between 1990 and 2002.

Table 2 shows the official state population forecast (developed by the Department of Administrative Services, Office of Economic Analysis) for Yamhill County, and the coordinated population for McMinnville between 2000 and 2020. These are the figures the McMinnville City Council approved in the *McMinnville Residential Land Needs Analysis* in April 2001, and that were agreed to by DLCD.

The forecasts from that study indicated:

- Population in McMinnville will increase by about 13,567 people between 2000 and 2020. This is an overall increase of 54% or an average annual increase of about 2.2%.
- For purposes of comparison, during the timeframe used to inventory building activity within this analysis (1988 – 2000), the population increased an average of 3.6% annually, or 53% overall.
- McMinnville's average annual population increase for the 100-year period between 1900 and 2000 is 2.9%.
- The 2000 population estimate indicated McMinnville would account for 30% of the County's population. Data from the 2000 Census prove this forecast was already low by

the year 2000; the 2000 Census indicated a population of 26,499 persons which accounted for 31.2% of total County population; a figure 1,346 lower than was previously estimated.

- The OEA year 2000 population estimate for Yamhill County was 83,826, a figure 1,166 lower than the 2000 Census data indicates.
- McMinnville’s coordinated population forecast assumes a 2.2% average annual growth rate. Using the 2000 Census population of 26,499 and the 2020 coordinated forecast yields an average annual growth rate of 1.9% during the 20-year period. Using the PSU 2002 population estimate of 28,200 and the 2020 coordinated forecast yields an average annual growth rate of 1.78%.

Table 2. Population projection from Residential Lands Study, 2000-2020, Yamhill County and McMinnville

Year	Yamhill County	McMinnville	Ratio of McMinnville to County
1990	65,551	17,894	27.3%
1999	83,100	24,420	29.4%
Percent Change	26.8%	36.5%	
AAGR	2.7%	3.5%	
2000	83,826	25,153	30.0%
2020	119,589	38,720	32.4%
Percent Change	42.7%	53.9%	
AAGR	3.6%	4.4%	

Source: *McMinnville Residential Land Needs Analysis*
AAGR = Average Annual Growth Rate

The data above clearly demonstrate that the 2020 coordinated forecast is:

- Lower than observed population growth rates;
- Has underestimated growth significantly in the first five years of a 20-year forecast period; and
- Will result in McMinnville planning for significantly less growth than is likely to occur.

McMinnville’s population forecast was updated using the 2002 PSU population estimate of 28,200 as the base and applying a 2.2% average annual growth rate (the same growth rate accepted by Yamhill County and DLCD in the prior analysis) through the year 2023. Using this method, ECO estimates McMinnville’s 2003 population will be 28,510 and McMinnville’s Year 2023 population will be 44,055. This amounts to a projected population increase of 15,545 between the years 2003 and 2023.

Table 3. Coordinated population forecast, 2003-2023, Yamhill County and McMinnville

Date	Yamhill County	McMinnville	Ratio of McMinnville to County
2000 Census	84,992	26,499	31.2%
2020 PSU	87,500	28,200	32.2%
2003	88,887	28,510	32.1%
2023	125,144	44,055	35.2%
Change, 2003-2023			
Number	36,257	15,545	
Percent	40.8%	54.5%	
AAGR	1.7%	2.2%	

Source: US Census (2000); PSU CPRC (2002), ECONorthwest

Note: 2003 and 2023 Yamhill County extrapolated from 1997 OEA long-term forecast; 2003 and 2023 McMinnville figures assume a 2.2% average annual growth rate using the 2002 PSU estimate.

EMPLOYMENT

Chapter 5 of the *McMinnville Economic Opportunities Analysis* (EOA) describes the methodology ECO used to project employment between 1999 and 2020. The EOA concluded:

“The estimate of 1999 total employment in the McMinnville UGB area, 13,585, forms the basis from which we estimate future employment. At an average annual growth rate of 2.06%, total employment in McMinnville will grow from 13,585 in 1999 to 20,846 in 2020, an increase of 7,261 or 53% over the twenty-year period.”

The updated employment figures build from the same 1999 base of 13,585, and uses the same average annual growth rate of 2.06%. The revised projection extends to 2003—and results in a total employment projection of 22,161 jobs in 2023. The extrapolated 2003 employment is 14,741 based on the 1999 base and a 2.06% annual growth rate. Table 4 summarizes the revised employment projection by sector. The adjustment increases total employment by 159 jobs over the original forecast presented in the *McMinnville Economic Opportunities Analysis*.

Table 4. Revised employment forecast by sector, 2003-2023

Sector	Total employment		Share of total		Growth	AAGR
	2003	2023	2003	2023	2003-2023	2003-2023
Agriculture, Forestry, Fishing	627	997	4.3%	4.5%	371	2.24%
Mining	119	111	0.8%	0.5%	-8	-0.34%
Construction	695	886	4.7%	4.0%	191	1.16%
Manufacturing	2,949	3,213	20.0%	14.5%	264	0.41%
Transportation & Utilities	666	1,108	4.5%	5.0%	442	2.45%
Wholesale Trade	370	554	2.5%	2.5%	184	1.94%
Retail Trade	2,781	5,540	18.9%	25.0%	2,759	3.34%
Finance, Insurance, & Real Estate	1,245	1,773	8.4%	8.0%	528	1.70%
Services	3,786	6,205	25.7%	28.0%	2,419	2.38%
Nonclassifiable	12	0	0.1%	0.0%	-12	-100.00%
Government	1,490	1,773	10.1%	8.0%	283	0.83%
Total Employment	14,741	22,161	100.0%	100.0%	7,420	1.96%

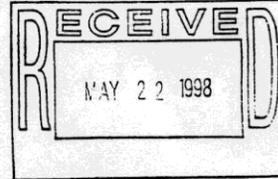
Source: ECONorthwest, 2003

ATTACHMENT 1

Yamhill County
DEPARTMENT OF PLANNING
AND DEVELOPMENT

401 NE EVANS STREET • McMinnville, OREGON 97128-4523 • (503) 434-7516

May 21, 1998



Ron Pomeroy
Doug Montgomery
City of McMinnville
230 East Second Street
McMinnville, OR 97128

Dear Mr. Pomeroy and Mr. Montgomery;

The Yamhill County Department of Planning and Development has reviewed the April 3, 1998 memorandum from WPS which proposes a revised city population projection of 37,956 for Year 2019. This projection is based on the assumption that the percentage of the total county's population that resides in the unincorporated area will decrease over time as rural residential exception areas are annexed into adjacent cities. This will result in each city's annual growth rate increasing slightly in proportion to the decrease in the unincorporated area's growth rate. We feel that the assumptions in the memorandum are reasonable and acceptable.

Please keep the county informed as to whether this methodology is accepted by DLCD and the City Council. If our office can be of any assistance, please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Brandt".

Michael Brandt
Planning Director

MB:sm

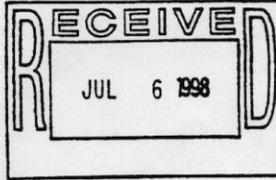
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ATTACHMENT 2



Oregon
John A. Kitzhaber, M.D., Governor

Transportation & Growth Management Program
1175 Court Street NE
Salem, OR 97310-0590
(503) 373-0066
FAX (503) 378-2687



A Joint Program
of the
Department of
Transportation
and the
Department of
Land Conservation
and
Development

June 30, 1998

Ron Pomeroy
Doug Montgomery
City of McMinnville
230 East Second St.
McMinnville, Or. 97128

Dear Mr. Pomeroy and Montgomery:

DLCD is in receipt of a letter from Yamhill County that accepts the proposed city population projection of 37,956 for year 2019. The projection is based on a methodology developed in an April 3 memorandum by WPS, a consultant for the city. The department accepts this method and projection and asks that the city use the projection in it's TGM and TSP projects.

Sincerely,

William B. Adams
William B. Adams, AICP
Urban Growth Management Specialist

Cc: Michael Brandt, Yamhill County Planning Director
Mark Radabaugh, DLCD Field Representative
Dan Fricke, ODOT Region 2

Mcminnet.doc

ATTACHMENT 3

Yamhill County

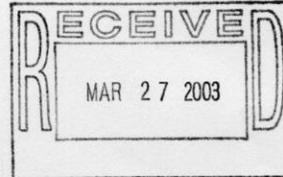
DEPARTMENT OF PLANNING AND DEVELOPMENT

401 NE EVANS STREET • McMinnville, OREGON 97128

Phone: (503) 434-7516 • Fax: (503) 434-7544 • Internet Address: <http://www.co.yamhill.or.us/plan/>

March 25, 2003

Doug Montgomery, Planning Director
City of McMinnville
230 NE Second Street
McMinnville, OR 97128



RE: COORDINATED POPULATION/EMPLOYMENT FORECAST

Dear Mr. Montgomery;

The Yamhill County Department of Planning and Development has reviewed the City of McMinnville's proposed population and employment projection figures for the period 2003-2023, as detailed in the ECONorthwest memorandum dated February 23, 2003. These projections are based, in part, on the assumption that the percentage of the total county's population that resides in the unincorporated area will decrease over time as rural residential exception areas are annexed into adjacent cities. This will result in each city's annual growth rate increasing slightly in proportion to the decrease in the unincorporated area's growth rate. For McMinnville this would result in an average annual growth rate of 2.2 percent for the planning period. This is the same growth rate reviewed and accepted by Yamhill County and the Oregon Department of Land Conservation and Development in May, 1998, and June 1998, respectively.

The resulting year 2023 population projection of 44,057, and the corresponding employment projection figure of 22,161 are both reasonable and acceptable, and are consistent with the projections published by the Oregon Office of Economic Analysis.

We look forward to continuing to work with the city as you progress with your UGB analysis. If our office can be of any assistance, please feel free to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Brandt".

Michael Brandt
Planning Director